

## Message Text

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PAGE 01 ASUNCI 03888 091324Z

ACTION OES-09

INFO OCT-01 ARA-15 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00

COME-00 DODE-00 EB-08 DOE-15 H-02 INR-10 INT-05

L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 SP-02

SS-15 STR-07 TRSE-00 ACDA-12 PA-02 /145 W

-----066536 101114Z /10

R 081937Z SEP 78

FM AMEMBASSY ASUNCION

TO SECSTATE WASHDC 3946

UNCLAS ASUNCION 3888

FOR CECILE LEDSKY, OES:NET

E.O. 11652: NA

TAGS: ENRG, TECH, LDC, PA

SUBJECT: COST OF ELECTRICITY PRODUCTION USING CONVENTIONAL ENERGY  
SOURCES

1. AVERAGE COST OF ELECTRICITY FOR CONSUMER GROUPS, IN MILLS PER  
KILO WATT HOUR:

CONSUMER GROUP AVERAGE COST

RESIDENTIAL 72.6

INDUSTRY 54.8

GOVERNMENT 24.5

MUNICIPAL 33.7

STREETCAR 72.1

STREET LIGHTING 67.4

BECAUSE OF A SEVERE DROUGHT, THERE IS A SHORTAGE OF WATER AT ACARAY,  
THE COUNTRY'S PRINCIPAL HYDRO-ELECTRIC SITE. THEREFORE, PARAGUAY  
SINCE THE SECOND QUARTER OF LAST YEAR HAS HAD TO USE OBSOLETE STEAM-  
TURBINE FACILITIES AND OTHER AUXILIARY INSTALLATIONS AND TO IMPORT  
SOME POWER FROM BRAZIL. THEREFORE, IT IMPOSED A SPECIAL SURCHARGE ON THE  
ABOVE RATES AS FOLLOWS: ABOUT 80 PERCENT FOR RESIDENTIAL CONSUMERS,  
30 PERCENT FOR INDUSTRIAL CONSUMERS AND A REDUCTION IN SUPPLY TO  
THE OTHER CONSUMERS. IT IS EXPECTED THAT THE SITUATION WILL RETURN TO  
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PAGE 02 ASUNCI 03888 091324Z

NORMAL BY THE END OF THE YEAR WITH NORMAL RAINFALL BEGINNING IN  
OCTOBER.

2. THE ACARAY DAM, WITH AN INSTALLED CAPACITY OF ABOUT 200,000  
KILOWATTS, IS 220 MILES FROM ASUNCION. IT IS PRESENTLY OPERATING AT  
26 PERCENT OF CAPACITY. TRANSMISSION COST OF POWER FROM ACARAY TO  
ASUNCION IS ABOUT 6 MILLS PER KILOWATT.

3. CAPITAL COST OF GENERATING HYDROPOWER AT ACRAY IS ABOUT US  
\$650 PER KILOWATT INSTALLED CAPACITY.

4. THE COST OF MONEY TO PURCHASE EQUIPMENT VARIES WIDELY, DEPENDING  
UPON THE TYPE OF LOAN. SOFT LOANS ARE OBTAINED AT AN INTEREST AS  
LOW AS 3 PERCENT PER YEAR, OTHER LONG TERM LOANS ARE OBTAINED AT  
AROUND 6.5PERCENT SUPPLIERS CREDIT AROUND 6.5 PERCENT TO 8 PERCENT.

5. ACCORDING TO LOCAL LAW, NET RETURN SHOULD BE EQUAL TO AT LEAST  
8 PERCENT OF VALUE OF FIXED ASSETS.

6 INSTALLATIONS AND EQUIPMENT ARE AMORTIZED ACCORDING TO THE  
FOLLOWING SCALE:

HYDROELECTRIC INSTALLATIONS FROM 1.26 TO 3.33PERCENT

STEAM GENERATING EQUIPMENT 1.55 TO 4.90

TRANSMISSION EQUIPMENT 2.86 TO 3.94

DISTRBUTION EQUIPMENT 1.75 TO 8.42

OTHER INSTALLATIONS 2.46 TO 14.25

THE AMORITZATION RATE VARIES ACCORDING TO THE USEFUL LIKE OF THE  
EQUIPMENT.

7. LOAD FACTOR OF GENERATING EQUIPMENT IS AROUND 70 PERCENT.  
HOWEVER, IT IS HARD TO DETERMINE AT THIS MOMENT BECASUE OF THE  
UNUSUAL CONDITIONS UNDER WHICH IT OPERATES.

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PAGE 03 ASUNCI 03888 091324Z

8. THE COST OF FUEL OIL IS \$0.54 PER GALLON.

9. UNDER NORMAL CIRCUMSTANCES, HYDROPOWER SHOULD SUPPLY  
OVER 95 PERCENT OF PARAUGYA DOMESTIC ELECTRIC CONSUMPTION.WHITE

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 01 jan 1960  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Subject:** COST OF ELECTRICITY PRODUCTION USING CONVENTIONAL ENERGY SOURCES  
**TAGS:** ENRG, TECH, PA  
**To:** STATE  
**Type:** TE  
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